

AMENDED IN SENATE JULY 2, 2003  
AMENDED IN ASSEMBLY MAY 6, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 278**

**Introduced by Assembly Member Bermudez**

February 5, 2003

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An act to amend Section 19817 of the Business and Professions Code, *and to amend Section 337j of the Penal Code*, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

AB 278, as amended, Bermudez. Gambling Control Act.

(1) The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission. Under existing law, the California Gambling Control Commission is required to appoint a Gaming Policy Advisory Committee of 10 members, and this committee is to be composed of representatives of controlled gambling licensees and members of the general public in equal numbers.

This bill would increase the membership of the Gaming Policy Advisory Committee to 16 members, composed of 8 representatives of controlled gambling licensees, and 8 members of the general public.

(2) *Existing law makes it a misdemeanor to operate a controlled game, as defined, without the licenses required by law. These provisions also regulate the collection of player's fees in licensed gambling establishments.*

*This bill would revise the definition of controlled game to apply to specified games of skill as well as chance. The bill would impose a*

*state-mandated local program by expanding the definition of a crime. The bill would also revise the regulation of player's fees in licensed gambling establishments with respect to the waiver of the collection of a fee by a gambling establishment.*

*(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~no~~ yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19817 of the Business and Professions  
2 Code is amended to read:

3 19817. (a) The commission shall establish and appoint a  
4 Gaming Policy Advisory Committee of 16 members, eight of  
5 whom shall be members of the general public, and eight of whom  
6 shall represent controlled gambling licensees.

7 (b) The executive director shall, from time to time, convene the  
8 committee for the purpose of discussing matters of controlled  
9 gambling regulatory policy and any other relevant  
10 gambling-related issue.

11 (c) The recommendations concerning gambling policy made  
12 by the committee shall be presented to the commission, but shall  
13 be deemed advisory and not binding on the commission in the  
14 performance of its duties or functions. The committee may not  
15 advise the commission on Indian gaming.

16 SEC. 2. Section 337j of the Penal Code is amended to read:

17 337j. (a) It is unlawful for any person, as owner, lessee, or  
18 employee, whether for hire or not, either solely or in conjunction  
19 with others, to do any of the following without having first  
20 procured and thereafter maintained in effect all federal, state, and  
21 local licenses required by law:

22 (1) To deal, operate, carry on, conduct, maintain, or expose for  
23 play in this state any controlled game.

1 (2) To receive, directly or indirectly, any compensation or  
2 reward or any percentage or share of the revenue, for keeping,  
3 running, or carrying on any controlled game.

4 (3) To manufacture, distribute, or repair any gambling  
5 equipment within the boundaries of this state, or to receive,  
6 directly or indirectly, any compensation or reward for the  
7 manufacture, distribution, or repair of any gambling equipment  
8 within the boundaries of this state.

9 (b) It is unlawful for any person to knowingly permit any  
10 controlled game to be conducted, operated, dealt, or carried on in  
11 any house or building or other premises that he or she owns or  
12 leases, in whole or in part, if that activity is undertaken by a person  
13 who is not licensed as required by state law, or by an employee of  
14 that person.

15 (c) It is unlawful for any person to knowingly permit any  
16 gambling equipment to be manufactured, stored, or repaired in any  
17 house or building or other premises that the person owns or leases,  
18 in whole or in part, if that activity is undertaken by a person who  
19 is not licensed as required by state law, or by an employee of that  
20 person.

21 (d) Any person who violates, attempts to violate, or conspires  
22 to violate this section shall be punished by imprisonment in a  
23 county jail for not more than one year, or by a fine of not more than  
24 five thousand dollars (\$5,000), or by both that imprisonment and  
25 fine.

26 (e) (1) As used in this section, “controlled game” means any  
27 game of chance *or skill*, including any gambling device, played for  
28 currency, check, credit, or any other thing of value that is not  
29 prohibited and made unlawful by statute or local ordinance.

30 (2) As used in this section, “controlled game” does not include  
31 any of the following:

32 (A) The game of bingo conducted pursuant to Section 326.5.

33 (B) Parimutuel racing on horse races regulated by the  
34 California Horse Racing Board.

35 (C) Any lottery game conducted by the California State  
36 Lottery.

37 (D) Games played with cards in private homes or residences,  
38 in which no person makes money for operating the game, except  
39 as a player.

1 (f) This subdivision is intended to be dispositive of the law  
2 relating to the collection of player fees in gambling  
3 establishments. No fee may be calculated as a fraction or  
4 percentage of wagers made or winnings earned. ~~Fees~~ *The amount*  
5 *of fees* charged for all wagers shall be determined prior to the start  
6 of play of any hand or round. *However, the gambling establishment*  
7 *may waive collection of the fee in any hand or round of play after*  
8 *the hand or round has begun pursuant to the published rules of the*  
9 *game and the notice provided to the public.* The actual collection  
10 of the fee may occur before or after the start of play. Ample notice  
11 shall be provided to the patrons of gambling establishments  
12 relating to the assessment of fees. Flat fees on each wager may be  
13 assessed at different collection rates, but no more than three  
14 collection rates may be established per table. *However, if the*  
15 *gambling establishment waives its collection fee, this fee does not*  
16 *constitute one of the three collection rates.*

17 SEC. 3. *No reimbursement is required by this act pursuant to*  
18 *Section 6 of Article XIII B of the California Constitution because*  
19 *the only costs that may be incurred by a local agency or school*  
20 *district will be incurred because this act creates a new crime or*  
21 *infraction, eliminates a crime or infraction, or changes the penalty*  
22 *for a crime or infraction, within the meaning of Section 17556 of*  
23 *the Government Code, or changes the definition of a crime within*  
24 *the meaning of Section 6 of Article XIII B of the California*  
25 *Constitution.*

